



## DEPARTMENT OF DEFENSE

### Office of the Secretary

[Transmittal No. 21-08]

### Arms Sales Notification

**AGENCY:** Defense Security Cooperation Agency, Department of Defense (DoD).

**ACTION:** Arms sales notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of an arms sales notification.

**FOR FURTHER INFORMATION CONTACT:** Karma Job at [karma.d.job.civ@mail.mil](mailto:karma.d.job.civ@mail.mil) or (703) 697-8976.

**SUPPLEMENTARY INFORMATION:** This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 21-08 with attached Policy Justification and Sensitivity of Technology.

Dated: February 23, 2021.

**Aaron T. Siegel,**

*Alternate OSD Federal Register Liaison Officer,*

*Department of Defense.*



DEFENSE SECURITY COOPERATION AGENCY  
201 12<sup>TH</sup> STREET SOUTH, SUITE 101  
ARLINGTON, VA 22202-5408

February 5, 2021

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
H-209, The Capitol  
Washington, DC 20515

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 21-08 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Chile for defense articles and services estimated to cost \$85.0 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, reading "Heidi H. Grant", is positioned above the printed name and title.

Heidi H. Grant  
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Chile

(ii) Total Estimated Value:

Major Defense Equipment*	\$55.0 million
Other	<u>\$35.0 million</u>
TOTAL	\$85.0 million

Funding Source: National Funds

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Up to sixteen (16) Standard Missile -2 (SM-2) Block IIIA Missiles (rail launched)  
(including two (2) missiles with manufacturer installed telemeter)  
Two (2) MK 89 Mod 0 Guidance Sections  
One (1) Target Detection Device Kit (including shroud), MK 45 Mod 14

Non-MDE:

Also included is inert operational missile to support missile recertification at the Intermediate Level Maintenance Facility; spare parts and associated containers; personnel training and training equipment; publications and technical data; U.S. Government and contractor technical assistance and other related logistics support including ordnance handling equipment; and other related elements of logistics and program support.

(iv) Military Department: Navy (CI-P-AFR)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: **February 5, 2021**

\*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Chile – Standard Missile-2 (SM-2) Block IIIA Missiles

The Government of Chile has requested to buy up to sixteen (16) Standard Missile-2 (SM-2) Block IIIA missiles (rail launched) (including two (2) missiles with manufacturer installed telemeter); two (2) MK 89 Mod 0 Guidance Sections; and one (1) Target Detection Device Kit

(including shroud), MK 45 Mod 14. Intermediate Level Maintenance Facility; spare parts and associated containers; personnel training and training equipment; publications and technical data; U.S. Government and contractor technical assistance and other related logistics support including ordnance handling equipment; and other related elements of logistics and program support. The total estimated program cost is \$85.0 million.

This proposed sale will support the foreign policy goals and national security objectives of the United States by improving the security of a strategic partner in South America.

This proposed sale would support Chile's anti-air warfare capabilities for the two recently transferred former Adelaide-class frigates to the Chilean Navy. Chile will have no difficulty absorbing the equipment and services into its armed forces.

The proposed sale of this equipment will not alter the basic military balance in the region.

The principal contractor will be Raytheon Missiles and Defense, Tucson, Arizona. There are no known offset agreements in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Chile.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. The SM-2 missile targets threats closer to the water's surface, defending against anti-ship missiles and aircraft out to 90 nautical miles. The SM-2 IIIA variant provides enhanced area defense capabilities and includes radar seeker technologies in continuous wave and interrupted continuous wave guidance modes, tail controls and solid rocket motor propulsion to engage high-speed maneuvering threats and updated radar targeting and directional warheads.
2. The highest level of classification of information included in this potential sale is SECRET.
3. If a technologically-advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce weapon system effectiveness or be used in the development of a system with similar or advanced capabilities.
4. A determination has been made that Chile can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.
5. All defense articles and services listed in this transmittal have been authorized for release and export to Chile.